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South Coast Air Quality Management District

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Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Comments on California Air Resources Board (ARB) Proposed
Voluntary Accelerated Vehicle Retirement Regulations and
Carl Moyer Program Guidelines for Voluntary Repair of Vehicles

I would like to thank the California Air Resources Board (ARB) staff in their efforts to accommodate the South Coast Air Quality Management District (AQMD) Voluntary Repair of Vehicle (VRV) and Voluntary Accelerated Vehicle Retirement (VAVR) Program by providing flexibility with the proposed changes to the VAVR regulations and the Carl Moyer Program Guidelines for VRV programs. We were pleased to learn that the ARB staff will offer the AQMD's High Emitter Repair or Scrap (HEROS) pilot program the needed flexibility in meeting the Moyer cost effectiveness criterion by approving the program with a most likely scenario estimate of the cost effectiveness. With ARB's approval of AQMD's plan, the AQMD would not be held accountable to buy down the program to the \$14,300 cost-effectiveness threshold. Additionally, we appreciate the ARB staff's willingness to continue dialogue with AQMD on the potential of categorizing database management as program costs. The database management is an essential component of the program for processing up to three million remote sensing data records collected, identifying and soliciting vehicles for repair and scrapping, and for the estimation of program cost effectiveness.

We have also attached for your consideration issues we believe ARB and AQMD will need to address in the future with the aid of the HEROS program results to further improve the VAVR regulations and Moyer Program guidelines. We believe that the proposed HEROS pilot study will generate a wealth of information to correlate remote sensing data to smog check test data and the potential identification of additional emission reductions for California's Smog Check Program. We look forward to working with ARB in the future on further program improvements.

Sincerely,

A handwritten signature in cursive script that reads "Barry R. Wallerstein for".

Barry R. Wallerstein, D.Env.
Executive Officer

DKS:RP:mse

Attachment

Attachment

Comments on California Air Resources Board (ARB) Proposed Voluntary Accelerated Vehicle Retirement Regulations (VAVR) and Carl Moyer Program Guidelines for Voluntary Repair of Vehicles (VRV)

In response to the Air Resources Board proposed VAVR regulations and VRV guidelines the South Coast Air Quality Management District staff offer the following comments as issues that AQMD and ARB staff should continue to investigate with the aid of information generated from the HEROS Pilot Program:

AQMD Pilot Program being Held to Higher Standards than BAR Smog Check Program

We are concerned that the current version of ARB Staff's revisions will require VRV programs to meet more stringent and more expensive repair standards than those for the existing Smog Check Program without crediting the program the additional emissions reductions realized from the enhanced repairs. While we agree that effective diagnosis and quality repair parts will ensure that only the best repairs be funded in a VRV Program, it is only appropriate that when these repairs are superior to those routinely performed in the Smog Check Program (e.g. when catalyst repairs are required to use OBDII compliant catalysts only, or when more stringent diagnostic and repair protocols are required) that the additional surplus emission reductions realized should be credited toward the VRV program. ARB staff chose to allow this flexibility with the surplus evaporative emission reductions we will achieve from using the low pressure evaporative test currently required in the Smog Check Program, but not yet implemented. We encourage the ARB staff to include flexibility in the program so that additional emission reductions achieved from repairs superior to those normally performed in the state Smog Check Program can be credited to the VRV program.

Pilot Program Not Allowed to Include Vehicles in Smog Check Program

AQMD staff also recommends that more flexibility be introduced into the guidelines and regulations to allow medium duty vehicles up to 10,000 lbs GVWR be allowed to participate in the AQMD's Pilot Program. The enabling legislation specifically lists light- *and medium*-duty vehicles to be included in these types of programs. This would also be consistent with the current California Smog Check program, and would take benefit from the fact that testing methods and emission levels cutpoints for these vehicles are established, making the eligibility determinations and emission reductions calculations relatively simple. While there are fewer of these vehicles on the roads, their emissions could be significant as heavier vehicles and to eliminate these from participation would miss an opportunity to real and quantifiable emission reductions.

Emission Reduction Lifetimes Limited to Three Years

More flexibility needs to be included in the revisions to allow for differing lifetimes of the surplus emission reductions. ARB staff has proposed that the lifetime of the emission reductions associated with an accelerated retired vehicle be limited to three years. The three year limit is based on estimates of remaining life of vehicles participating in existing VAVR programs typically constrained to accepting older vehicles. The AQMD VAVR program is unique in that it will use vehicle emissions - not vehicle age - as the metric to include the vehicle in the program, and it is possible that newer vehicles with remaining useful lives greater than three years may be retired. We

believe that the regulations should allow for longer emission reduction lifetimes more appropriate for newer vehicles that may be retired as part of the AQMD Program.

Proposed 24 Month Residency Requirement is Too Stringent

We continue to believe the remote sensing based repair and retirement program design minimizes the chance of program fraud and abuse making the 24-month minimum residency requirement unnecessary. Specifically, the AQMD program will utilize remote sensing technology to identify high emitting vehicles in operation on the roadways, and because the chances of identification increase with VMT, vehicles identified are very likely regularly used. Additionally, the locations of the remote sensing measurements will not be publicly available and will change every two to five days. As there are many thousands of potential measurement sites throughout the district, the sheer volume of sites and the short duration of sampling at each site will make it difficult for potential abusers to locate active remote sensing sites to have their vehicle's emissions measured. Moreover, to be invited to participate in the Program, the vehicle must be identified as a gross polluter, requiring the vehicle owner interested in cheating to have prior knowledge of their vehicle's emissions and to be confident that it will be identified as a high emitting vehicle. Finally, safeguards will be developed and implemented into the AQMD's Program identification and solicitation process to minimize chances of program abuse (e.g. no more than one identified high emitter from same address or registered to same person). With this program design we are confident that the additional requirement of a 24-month minimum residence time is not necessary, and will only adversely affect the program by eliminating potential volunteers and increasing the potential for stranded costs. We strongly encourage the ARB staff to not change the existing 120 day minimum residence requirement for remote sensing VAVR and VRV programs and actively seek legislative revisions to be consistent with this requirement.

Arbitrarily Separating the Repair and Scrap Programs for Cost Effectiveness Analysis Hurts Program

ARB staff is proposing that the cost effectiveness of a program be calculated separately for the repair and scrapping portions of the program. This in our mind is tantamount to calculating the cost effectiveness for an EGR and catalyst system on a cleaner replacement engine separately. One system may be more cost effective at controlling emissions than the other, but the synergies achieved as a system achieve greater emission reductions than the sum of the reductions the two systems could achieve independently. This is the case with our voluntary repair or scrap program. Because the program is voluntary, the recruitment rate of volunteers is critical to its success and eliminating the scrapping or repair incentive because it is not cost effective would most likely reduce the attractiveness of the program to the potential participants, adversely affecting the program as a whole. While we appreciate ARB staff's desire to ensure that the most effective emission reductions are realized from a voluntary repair or scrap program, absent a clear understanding of the synergies between the program parts, we believe requiring the cost effectiveness criterion be met by the repair and scrapping separately is too restrictive. We encourage ARB staff to grant the AQMD the flexibility of meeting the cost effectiveness criterion using the total cost of our repair and scrapping program, and not the repair and scrapping portions separately.